FDI in Power Generation and T and D

653. SHRI RAJKUMAR DHOOT: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government has allowed 100% FDI in power generation, transmission and distribution;

(b) if so, the details thereof and the reasons therefor; and

(c) the details of such projects expected to be covered under FDI during current and next fiscal year?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a)Yes, Sir. The Government has allowed 100% foreign direct investment (FDI) in respect of projects relating to electricity generation, (other than atomic reactor power plants) transmission and distribution.

(b) This has been allowed considering the urgent need for additional resources required for the development of the power sector. Foreign Direct Investment (FDI) upto 100% equity for power sector is allowed on automatic basis without any upper ceiling. The necessary approvals in these areas are given by the Reserve Bank of India.

(c) As per information available, 30 cases pertaining to development of power have been accorded approvals from April, 2003 to September, 2004, envisaging an FDI inflow of Rs.3515.96 crores. However, actual inflow of FDI would depend upon many other extraneous factors.

Agreement between PTC and Public Sector Power Plants

654. SHRI M.A.M. RAMASWAMY: Will the Minister of POWER be pleased to state:

(a) whether the Power Trading Corporation (PTC) has entered into an agreement with Public Sector Power generating plants and other private sector players to buy and sell power generated from these projects/plants;

(b) if so, the details thereof;

(c) whether the PTC propose to sell the purchased power to State Governments;

(d) if so, the power deficit areas identified by the PTC; and

(e) the likely/estimated return the PTC expect to get from this deal?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (c) PTC India Ltd. (formerly the Power Trading Corporation of India Ltd.) has reported that it has entered into agreements for short-term (upto 3 years) sale and purchase of power, mainly with the SEBs or their successor entities. One of the objectives of PTC is to catalyze development of power projects by acting as an intermediary by entering into Power Purchase Agreements (PPAs) with Independent Power Producers (IPPs) on the one hand and Multipartite Power Sale Agreements (PSAs) with the State Electricity Boards (SEBs) or other off-takers under long term agreements on the other. Accordingly, PTC is also in the process of signing Long-term (25 years) agreements for off take of power f rom identified generating stations in India and neighbouring countries but no long-term agreement has yet been signed.

(d) PTC India Ltd. has reported that it has already initiated three separate MOUs with Punjab State Electricity Board (PSEB) and one each with West Bengal State Electricity Board (WBSEB) and Madhya Pradesh State Electricity Board (MPSEB) and is in touch with other State Power Utilities.

(e) PTC India Ltd. has reported that it charges a margin of about 5 paise per unit or 2% of the unit cost of electricity traded, on an average, for its trading transactions. However, the margin in case of long-term agreements with power plants may be at different levels.

Nathpa Jhakri Project

655. SHRI S.P.M. SYED KHAN: Will the Minister of POWER be pleased to state:

(a) whether it has been reported to the Government that 60 per cent damage has been caused to the underwater turbines which are used in the recently started Nathpa Jhakri Project due to silted water;

(b) if so, the details thereof; and

(c) the steps taken by the Government to tackle the technical problems?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) There is no such report that 60 per cent damage has been caused to the underwater